

## **MINUTES**

### **STATE OF WASHINGTON ENERGY FACILITY SITE EVALUATION COUNCIL**

**July 14, 2003 - Regular Meeting**  
4224 6th Avenue S.E. Building 1  
Lacey, Washington - 1:30 p.m.

#### **ITEM 1: CALL TO ORDER**

CHAIR LUCE: The regular meeting of the Washington State Energy Facility Site Evaluation Council for Monday, July 14, 2003, will come to order. Please call the roll.

#### **ITEM 2: ROLL CALL**

##### **EFSEC Council Members**

**Community, Trade & Economic Development**

**Department of Ecology**

**Department of Fish & Wildlife**

**Department of Natural Resources**

**Utilities and Transportation Commission**

**Chair**

**Kittitas County**

Richard Fryhling

Charles Carelli

Sue Patnude

Tony Ifie

Tim Sweeney

Jim Luce

Patti Johnson (via phone)

MR. MILLS: I note the presence of Chair Jim Luce and there is a quorum.

#### **OTHERS IN ATTENDANCE**

##### **EFSEC STAFF AND COUNSEL**

Mike Mills

Michelle Elling

Ann Essko – AAG

Irina Makarow

Mariah Laamb

##### **EFSEC GUESTS**

Karen McGaffey-Perkins Coie

Laura Schinnell, Energy Northwest

Duncan McCaig-Tractebel

Mike Torpey, BP Cherry Point

Brad Howard, TransCanada

Bill LaBorde-NW Energy Coalition

Clay White, Kittitas County (via phone)

Tom Schneider, Tractebel

Tim Lonas, TIC Parsons Alliance

Darryl Peebles-Kittitas Valley Wind Project

Alan Harger, WSDOT

Cindy Custer-BPA

John Mudge, Critical Issues Council

Lauri Vigue, WDFW (via phone)

### ITEM NO. 3: APPROVAL OF MINUTES

CHAIR LUCE: Approval of minutes for June 9 and June 16 is the first item on the agenda. We'll deal first with the matter of the minutes for June 9, 2003. Do members have any corrections, additions, or deletions for those minutes? Hearing none, the minutes are approved. Do we have any additions, corrections, or deletions for the minutes of June 16, 2003? Hearing none, the minutes are approved.

### ITEM NO. 4: ADOPTION OF PROPOSED AGENDA

CHAIR LUCE: The next item on the agenda is the adoption of the proposed agenda. Do members have any additions, corrections, or deletions for the proposed agenda?

MR. MILLS: Staff has two additions.

CHAIR LUCE: Yes.

MR. MILLS: Under the Chehalis Generation Facility Agenda No. 9, we would like to add an action item, notice of incident and request for assurance of compliance, and we will speak to that. There's a handout that staff will speak to, and also I believe it's an information item on the contract we're negotiating with Southwest Clean Air Agency and the Department of Ecology to provide air permitting services for the Chehalis Generation Project also, and Irina will report on the status of that.

CHAIR LUCE: Thank you. Council Members?

MR. IFIE: Under other, I would like to address a letter that the Commissioner of Public Lands, Doug Sutherland, sent to the Governor on greenhouse gas emissions.

CHAIR LUCE: Thank you. Certainly. We can raise that under other. Anything else? Hearing nothing else, the proposed agenda is adopted.

### ITEM NO. 5: WILD HORSE WIND POWER PROJECT

<b><i>Request for Potential Site Study</i></b>	<b><i>Irina Makarow, EFSEC</i></b>
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CHAIR LUCE: The first item on the agenda is the Wild Horse Wind Project study, the request for a potential site study. Irina.

MS. MAKAROW: On July 2, the Council received a letter from Darrel Peeples representing Wind Ridge Power Partners requesting a potential site study for a second wind project in Kittitas County, and Darrel is here with us today to present that request.

CHAIR LUCE: Mr. Peeples.

MR. PEEPLES: Do you all have copies of it?

CHAIR LUCE: We do.

MR. PEEPLES: Essentially we're requesting a potential site study. We've outlined in that request what we believe should be contained and come out of it. Primarily we're trying to undertake the process that we're contemplating with regard to the regulation change in 463-42. I think we talked about it before, and I've gone over this with the Council in the executive meetings. So we formally ask for the request. We have met with the independent consultant and EFSEC staff and Counsel for the Environment, and at the present time we're proceeding on somewhat of a schedule. Irina, do you have kind of the schedule we talked about?

MS. MAKAROW: Yes. But before we get into that, we need some Council action on finding that the request for the potential site study is complete, and I believe Council Member Carelli has something ready for us.

MR. CARELLI: Thank you, Irina. At Irina's request I reviewed the request in the letter dated July 2 from Mr. Peeples and also reviewed the requirements for a potential site study. It would appear based on my review that the requirements necessary to allow the Council to proceed with the potential study are pretty minimal and that the information that is requested under WAC 463-22 has been satisfied. There is a request that a fee be provided. That fee has been paid. The request for a potential site study is to include a legal description. That has been provided in the July 22 letter. And a description of the area the proposed facility is going to be located that likewise is provided in the July 2 letter, and a description of the type and size and significant features of the proposed energy facility that has been provided in the July 2 letter. There is the possibility that the Council could ask for additional information. I don't see that that is necessary at this time.

There will be additional information made available or provided as the potential site study progresses. So that being the case, I would make the following motion, and it's in two parts. One, that the Energy Facility Site Evaluation Council approve the request of Wind Ridge Power Partners, LLC, for a potential site study for the Wild Horse Wind Power project located in Kittitas County. And, number two, that an independent consultant be authorized to conduct a preliminary site study. The independent consultant should be charged with producing a thorough and extensive examination of this site and proposed project. The intent will be that this potential site study is to be used to guide the development of an application for site certification and an environmental impact statement for this proposed energy facility. The independent consultant should examine all aspects of this proposed facility, its impact on the region, and any cumulative impacts associated with the proposed construction of the other wind power projects in this area.

**I so move.**

CHAIR LUCE: A quick question before the second. Is encompassed within your motion a sense, does your motion encompass an intent to capture this Paragraph 3 that was laid out in Mr. Peeples' letter where he speaks to the question of WAC 463-42 and what the developments of the Draft EIS and the preliminary site study would entail?

MR. CARELLI: This does not encompass the question of whether we proceed using new regulations or not. I think that's subject to further discussion.

CHAIR LUCE: Okay. How would you anticipate that further discussion unfolding? Because I think that's an important issue to get behind us at some point in time in the relatively near future.

MR. CARELLI: I agree, and it would be my expectation that we would follow the intent of what we're trying to accomplish with the new application requirements for this project, but my initial understanding was that we were authorizing a potential site study today, and the potential site study content would not necessarily be modified by our changes that we are proposing in 463-42.

CHAIR LUCE: I think that as long as we can sit down in the fairly near future and zero in on this type of approach as a prototype or a --

MR. CARELLI: I think they're all prototypes now.

MS. MAKAROW: Maybe I can clarify for the Council --

CHAIR LUCE: Thank you.

MS. MAKAROW:-- as to what staff anticipates with regards to that third paragraph. Mr. Peeples in that paragraph makes reference to some work that is currently ongoing between

EFSEC staff and other stakeholders in trying to reformulate the way an application for site certification will be presented, so it would be more like a draft environmental impact statement rather than a WAC-by-WAC description of each environmental resource as is currently written into our rules. And I think from staff's perspective it's clear at this point in time there is no specific rule, and this is only an idea that is being presented. However, we feel that there is sufficient flexibility in Council's rules to accept an application that is formatted basically in any format that the Applicant would like to submit it in as long as it contains all of the informational elements that are currently outlined in our WAC guideline. In fact, in the case of the Starbuck Power Project, the Council did accept an application format of an environmental impact statement. It was like an environmental report with a number of appendices that covered those WAC items that are not required in our environmental impact statement but are in our guidelines, so the Council does have the flexibility to do that at this point in time.

CHAIR LUCE: Thank you for that clarification. **I second the motion.**

MR. CARELLI: Thank you. Are you going to call the question?

CHAIR LUCE: Well, somebody else can call the question.

MR. FRYHLING: Question.

MR. IFIE: Discussion.

CHAIR LUCE: Discussion.

MR. IFIE: Yes, the second portion of the motion I wasn't sure what you called the list of items that the Council was suppose to work on. I would be more comfortable if we just said the Council will do, will perform study in accordance with 463-22 which lists a bunch of items that the Council is suppose to be working on. I don't know if your list came from here or if it's from some other additional items that you added to your list.

MR. CARELLI: I did not add specifically from the WAC you've cited. What I did is try to impress upon the consultant that we do retain that we want a very thorough and extensive examination and to make sure that it is an examination that gives us adequate information that we can, that the Applicant can then prepare an adequate application, and our consultant can prepare an adequate environmental impact statement. This does not supersede what's in the WAC, but my intent was to expand on it.

MR. IFIE: Now, we put something that says, that makes it so that it's in continuity that part of the WAC 463-22-050 will be part of what the Council will work on. In other words, what you listed it would be in additional to what is already in WAC 463-22-050?

CHAIR LUCE: Okay.

MR. CARELLI: **If I could in Point No. 2, the first sentence in that point, I would revise it to read; and this is just the first sentence, that an independent consultant be authorized to conduct a preliminary site study as outlined in Chapter 463-22-050 WAC.**

MR. IFIE: Okay.

MR. CARELLI: **And I would accept that as an amendment to my motion.**

CHAIR LUCE: **As an amendment I second that.** Any more discussion?

MR. FRYHLING: Question.

CHAIR LUCE: The question has been called for. All in favor say aye.

COUNCIL MEMBERS: **Aye.**

CHAIR LUCE: Thank you.

MS. MAKAROW: Now, I will go onto the schedule. As Mr. Peebles mentioned, --

MR. PEEPLES: Do they have this at all?

MS. MAKAROW: No. As Mr. Peeples mentioned, last week we did meet with Jones & Stokes who is the independent consultant who will be hired through our on-call contract with them to perform the potential site study for this project, and then if an application is submitted, they would then proceed also with the application review and development of an environmental impact statement for the Council. And we met with Judith Hillis of Jones & Stokes, Counsel for the Environment, and Andrew Young from Zilkha and Darrel last week, and we flushed out exactly what it was that the Applicant wished to get out of the potential site study and what the Council needed.

As Council Member Carelli stated in his report, a potential site study report does have to be prepared for the Council, so that's part of the study. However, the Applicant also requested that our consultant prepare a guideline for an application that would cover in detail what would be required for a complete application to be filed. And then once that guideline was prepared, and the Applicant had the opportunity to prepare drafts of the application our consultant would review those drafts for a preliminary completeness evaluation. So the intent is that at the end of the potential site study, per se, the Council would have received a report, the Applicant will have received guidelines for the application, and a draft application will have been reviewed, so that once an application is submitted to the Council, our consultant will be able to assess its completeness very quickly.

CHAIR LUCE: Okay.

MS. MAKAROW: The schedule that we have right now is that by the end of this week our consultant will have prepared a detailed scope of work, the schedule, and budget for this task. The future Applicant has committed to submitting a project description this week, and then in the very near future they will be submitting documentation of the studies that they have already performed on the site, and we have a site visit planned for June 24 with our consultant.

MR. PEEPLES: July.

MS. MAKAROW: July, I'm sorry. July 24. We expect that we're going to attempt to have the guideline document for the application ready within one month, so that while the Applicant is off writing their application, that is when our consultant would actually start writing the report for the study, doing the analysis and writing the report for the study. As for the application review stage, we have to see what Jones & Stokes presents as a schedule and negotiate that with the Applicant for submittals and review information coming back.

CHAIR LUCE: Thank you. Any questions?

MR. PEEPLES: Just essentially as far as the application and content guidelines that I am to prepare a first draft of that and Counsel for the Environment will review that draft, then it will go to the independent consultant. And then the independent consultant will get all the information and be able to meet on site and go through it, and then the consultant will come out with the final draft of the application guideline, a content guideline. I think the Council should review that draft that finally comes out of the process and proof that draft. This is kind of making new ground here, so I would really appreciate the Council's involvement at any stage they want, but especially at that stage. We really want that content reviewed. That's essentially the report or the guts of the report, what should come as that application. And so I would just like to make that request. Once it gets done, then we want the Council to review it. We can start working on it, but we want the Council to review it.

CHAIR LUCE: Thank you. Anything else, Irina? Chuck, are you finished? Questions from the Council?

MR. CARELLI: Darrel, how many residents are there in the vicinity of the project?

MR. PEEPLES: I think the nearest residence is two and a half miles, three miles away.

CHAIR LUCE: And number wise?

MR. PEEPLES: About 120 turbines.

MR. CARELLI: 120 turbines. And how many homes, full time, part time, just that one?

MR. PEEPLES: There's one place -- where it is, is you know the old road going over to Vantage right when you get to the top of that grade before you start down to head east, it's to the left, two ridges over to the left. I believe two ridges. I remember going over two ridges. So the nearest home that you would see would be on the Vantage Highway, I believe, the old Vantage highway. So there's a couple of residents. That's the closest is. Do you remember? I think 2.5 aerial miles or something like that. You don't remember?

MS. MAKAROW: No.

MR. PEEPLES: Don't hold me to that, but that's the distance. I think we're about a mile, two miles in. It takes quite a while. It's a rough road. It takes quite a while to get in there.

MR. CARELLI: The reason I ask the question is that it really is a question of the Council that our guidelines do not require that we hold a public meeting prior to the start of a potential site study, and I guess it's kind of an open question to the Council, Mr. Chairman, as to whether the Council wants to hold that public meeting on the potential site study in the local. There doesn't appear to be a lot of residents or homes in the area, and that might relieve some of the need for holding a public meeting, but, you know, that is one question that should be addressed.

CHAIR LUCE: What's the sense of the Council, one house, two and a half miles?

MR. FRYHLING: I think we have enough interest in wind power in Kittitas County whether for whatever reason, whether they're a resident or whatever there. There is a public interest over there.

CHAIR LUCE: We're suppose to hold these public meetings as close to the site as possible.

MR. FRYHLING: Well, we can.

CHAIR LUCE: So we should try to do that. It's sort of silly to have those --

MR. FRYHLING: The town of Kittitas would probably be the closest.

CHAIR LUCE: I'm not adverse to going over for a public meeting, even if three citizens or two citizens show up.

MR. PEEPLES: The Applicant is not requesting a meeting, and I think as far as, you know, if there's a meeting, it would be more of a scoping process. We've scoped this thing to death already. All the stuff that we've done in Kittitas. Everything that's been done on the other project. All of those issues are out. We'll be going to another scoping meeting as soon as we start the project -- as soon as we file the application we will be in another scoping meeting. I think the Applicant doesn't see the need to spend the money to go over there for that scoping meeting. That's all. If you want to do it, that's fine. But we don't see the need. I think most of the issues are isolated, and we know what they are.

CHAIR LUCE: Let's reserve judgment for that for a little bit later, if you don't mind.

MR. CARELLI: If we were to do a public meeting, is there an opportunity to at this point conduct scoping that would be sufficient to satisfy the needs of the environmental impact statement?

MR. PEEPLES: I don't know.

MS. MAKAROW: I believe not because the official scoping can only really begin once an application is submitted and Council has made the determination of significance, that an EIS is required.

MR. PEEPLES: That's right.

CHAIR LUCE: Is there another public meeting we are going to be having over there in connection with the other project that we could double up?

MS. MAKAROW: It's certainly possible that we could double up meetings.

CHAIR LUCE: I mean the real cost is getting over there.

MS. MAKAROW: Yes. Yes.

CHAIR LUCE: So if you're over there. Let's reserve judgment on this and think a little bit about it.

MR. PEEPLES: What I think at least I found in the Wallula thing was that we had the scoping meetings before. Remember? And then we had the scoping meetings after. And I just think we duplicated a lot of scoping meetings, you know, and not that, you know, and everybody pretty much anticipated in Wallula what all the issues were.

CHAIR LUCE: Right. Understood. There's no urgency to make a decision on that immediately, so let's think about it a little bit. Anything else from the Council? Darrel, do you have anything else?

MR. PEEPLES: No, that's it. I just would request the Council to pay close attention to going through this thing because it's kind of a first time through, and we would like to get as much guidance from the Council as we can.

CHAIR LUCE: Well, thank you for coming to us with this information. We appreciate that very much. I don't know about those two ridges. When I was headed through Vantage, I was going so fast, I never saw ridges.

MR. PEEPLES: Yeah, and coming back.

CHAIR LUCE: Ridges? Vantage? Okay. What do we have next?

## **ITEM NO. 6: KITTITAS VALLEY WIND POWER PROJECT**

<b><i>Land Use Status Report</i></b>	<b><i>Irina Makarow, EFSEC</i></b>
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CHAIR LUCE: Kittitas Valley Wind Power Project, the non-Wild Horse, land use status report. I think I saw something. Irina.

MS. MAKAROW: Yes, in your packets you have a July 2 status report submitted by the Applicant with regards to their work on land use consistency issues with the County, and the application that was revised by the Applicant submitted to the County in June has been accepted by the County and actually staff is working with the County to have a joint Draft EIS public comment meeting for EFSEC and a comment meeting for the County together, so that they can receive comments on the application that Zilkha submitted to them. So we will be coordinating with the County in the weeks to come for that meeting. Darrel, is there anything else you would like to update the Council on?

MR. PEEPLES: No. We have a projected date, you know, that we will get to the County process done, and that's not a finite date. It's a general date. It may be before. It may be after. I will be coming in, you know, before September 1 and asking for an extension. I will try to get it drafted this week or next, asking for an extension to the January 15 date. And I just want the Council to know that we may come back if it's not done by that and ask for another one. We want to get to the County process. That will probably have an impact on when the Council will have its hearings I imagine. It's your decision, not mine. But, you know, so we will probably go by the year, but it will be at the request of the Applicant. Okay?

CHAIR LUCE: Thank you.

MR. FRYHLING: Just a little bit of backtracking. Have you set up a schedule to set the process for the Wild Horse application to the Council?

MR. PEEPLES: I think things have been worked out very well with the County now, so I think the reason we're trying to do Wild Horse the way we're doing it, so we get the DEIS out right away which the County wants to be able to use for their process, so I think it's going to work much smoother with the County because the DEIS hopefully will be out in 90 days after we file hopefully, and then we can go right into the County hearing process at that time. Then they can plan -- you know, I'm assuming we're going to use the same general schedule with the County that we did before. We are very comfortable with that.

MR. FRYHLING: It just seems like they have a five-, six-month lag time on application before they get them before a hearing process.

MR. PEEPLES: That may be true, but this is the first time for them on this, the first time for EFSEC, the first time for us going through, and I think things have been worked out pretty well, so I would imagine that as soon as we file. And, you know, we will be filing our application with the County, you know, as soon as we file our application here, and then they can, you know -- so it will happen right away. So I think it will be expedited -- or not expedited by the County, but it's going to work much faster because everybody is going to be on the same page this time hopefully.

MR. WHITE: This is Clay White with Kittitas County. I could barely hear the background about a five- to six-month lag time. Maybe that could be -- I couldn't quite hear that. I could respond to that question.

MR. PEEPLES: Clay, this is Darrel Peeples. It was Dick Fryhling for CTED, and just the comment is what would the lag time be with the County. And I think I responded that we will be filing the application with the County, as soon as we file the application with EFSEC. Hopefully we will have a DEIS out in maybe about 90 days after that filing, and we're anticipating we will go through the process as we're going through in Kittitas, so the decision from the County will be much earlier we anticipate in the EFSEC process than it was on Kittitas.

MR. WHITE: Okay. Just for clarification, on the Kittitas Valley Wind Power Project there really is no lag time. We received their application in June, and so the notice was sent out in June. We can't hold a public hearing until the Draft EIS is issued, so there really is no lag time. It's just that it's not quite coordinated as well as hopefully the next project will be. Yes, if we did get, you know, the DEIS was out right away, we would have our notice of application period and then things after that in a much shorter amount of time. But you have to wait for certain things to be issued. There really is no lag time.

MR. PEEPLES: I think we have a pretty good learning curve on Kittitas, and things are going to work much better.

CHAIR LUCE: Any other questions from the Council? Any questions or comments from the representatives for Kittitas County?

MR. WHITE: No.

MS. JOHNSON: No.

<b><i>Progress Report</i></b>	<b><i>Irina Makarow, EFSEC</i></b>
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MS. MAKAROW: I have two items to report on for the progress report. The first is that staff issued two Council orders. One, following the first prehearing conference and basically granting intervention to all the petitioners, and the second order was in response to Petitioner Lathrop's motion regarding disqualification of Council Members Ifie and Fryhling in which he was



directed that the APA actually requires those Council Members to respond individually. And we have set a deadline of July 21 for all the parties in that case to be able to file responses to the motion to the Council, and five days later Mr. Lathrop has the possibility of responding to any responses that have been filed. And then Council Members Fryhling and Ifie would respond to the motion for disqualification.

And the other thing I wanted to report on was that last Friday I met with County staff, Clay White, the County's consultants they have hired to write the environmental impact statement for the EnXco project, Shapiro staff, and we also had a representative from Jones & Stokes to discuss how the County and EFSEC would organize the analysis of the cumulative impacts of all the wind projects in Kittitas County, and that meeting went very well. And I hope that in the following weeks after I've had some discussions with Zilkha regarding the schedule and submittal schedule, I will be able to come to you with a little bit firmer process for the Council to comment on.

CHAIR LUCE: Thank you. Questions from the Council? Thank you.

MR. PEEPLES: May I ask a question on the motion? Is there going to be a hearing on the motion or is it all going to be handled by brief and written submittals? And I'm not suggesting anything. It's just a question.

MS. MAKAROW: So far the Council has not been requested to hold another hearing, so unless we receive other requests, everything should be done in writing.

MR. PEEPLES: Very well.

## **ITEM NO. 7: BP CHERRY POINT PROJECT**

<b><i>Progress Report</i></b>	<b><i>Michelle Elling, EFSEC</i></b>
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CHAIR LUCE: Next item on the agenda concerns BP Cherry Point. Michelle, you have a progress report.

MS. ELLING: Yes, thank you. The first thing I would like to speak about is the administrative Draft EIS that was prepared by our independent consultant, Shapiro. It was submitted for review on June 30, and I would like to thank the Council members for taking the time to review that very quickly and turn those comments around to me. I received comments from the Council members, from Department of Fish and Wildlife, and Department of Ecology last week, and I incorporated all those comments directly into the document and got that back to Shapiro today. Staff is going to meet with Shapiro tomorrow to discuss those comments, and we're going to request that Shapiro attend next week's executive committee meeting to speak to the Council about the Draft EIS.

The second thing I would like to talk about is the second prehearing conference. That's going to be held tomorrow. It's going to be in the DNR building at 9:30, Conference Room 172, and, of course, it's an optional meeting for the Council Members, but we do invite you all to attend. And then the third thing I would like to tell you is about the state waste discharge permit. Our Ecology contractor has developed a state waste discharge permit, a draft state waste discharge permit, and we are going to be meeting with the Applicant, BP, on this Thursday to go ahead and look at that draft permit and talk about the water discharges.

CHAIR LUCE: Thank you. Very complete. The Council will appreciate that. Questions from the Council?

## ITEM NO. 8: SATSOP COMBUSTION TURBINE PROJECT

<b><i>Receiving Water Study Plan</i></b>	<b><i>Michelle Elling, EFSEC</i></b>
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CHAIR LUCE: The next item on the agenda is an action item. The Satsop Combustion Turbine Project. Michelle.

MS. ELLING: Yes. In your packages you have a letter from the Satsop Project on Special Condition 12, the Receiving Water Study plan. The Satsop Combustion Turbine Project's National Pollutant Discharge Elimination System or NPDES Permit No. WA-002496-1 required that the permittee, Energy Northwest and Duke Energy Grays Harbor, submit a receiving water study plan in conjunction with a sampling and quality assurance plan within 180 days of the issuance of the NPDES permit. The permittee met this requirement by submitting these plans on June 6, 2003.

Council staff has been working closely with the Department of Ecology to contract for staff to provide compliance oversight for the Satsop Project, but due to Ecology work priorities, Ecology staff is not available to do a full review of these plans. Therefore, Council staff reviewed the plans and made the plans available to Ecology to review. The permittee has designed a receiving water study that is scheduled to begin in two weeks and lasts for six months. The timing of this study is critical as the receiving water study must characterize the Chehalis River during low flows, in order to best study the potential impacts of the industrial waste water discharge on the Chehalis River. The study is modeled after the lower Chehalis River Total Maximum Daily Limitations or TMDL studies that have been conducted on this watershed previously. Council and Ecology staffs believe this plan is adequate and recommend that the Council approve the immediate implementation of the Receiving Water Study and Sampling and Quality Assurance Plans. Do Council Members have any questions?

MR. CARELLI: **Hearing no questions, I would offer a motion that the Council approve the immediate implementation of the Receiving Water Study and Sampling and Quality Assurance Plans for the Satsop Combustion Turbine Project.**

MR. IFIE: **I second the motion.**

MR. CARELLI: Is there any discussion? Motion has been made, seconded. All those in favor indicate by saying aye.

COUNCIL MEMBERS: **Aye**

MR. CARELLI: Any opposed? **The motion carries.** Anything else, Michelle?

MS. ELLING: No, that's it.

MR. CARELLI: That's it.

## ITEM NO. 9: CHEHALIS GENERATION FACILITY

<b><i>Construction Progress Report</i></b>	<b><i>Tom Schneider, Tractebel</i></b>
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MR. CARELLI: Next, we have the Chehalis Generating Facility. Mike Mills and Tom Schneider are on the podium.

MR. SCHNEIDER: Thank you.

MR. CARELLI: How are you, Tom?

MR. SCHNEIDER: Fine. Thank you.

MR. CARELLI: I understand you're going to give us a report today on what's going on down there.

MR. SCHNEIDER: Yes, sir.

MR. CARELLI: Good deal.

MR. SCHNEIDER: We surely will.

MR. CARELLI: I'm going to pass the gavel back at this point.

CHAIR LUCE: You've worked on this project. You work on this project, so you can keep going.

MR. CARELLI: Tom, please.

MR. SCHNEIDER: Mr. Chairman, Council Members, and staff, my name is Tom Schneider. I'm the site manager for Chehalis Power Facility, and I have with me Mr. Tim Lonas who is the project director for our general contractor, TIC Parsons Alliance. We would like to go over the site report for June that we just passed out to you.

We are very, very pleased with the progress we've made this past month. We continue to have very favorable weather. The site conditions are excellent. We have been really blessed in that respect through the entire year. In fact, through the entire past two years.

We did have one recordable incident, a safety incident, as a man on the site injured a hand, a pinch point situation. He did not lose any time, but there was a doctor visit involved. As far as environmental incidents go, there was none.

Personnel, we're down to 193 total people on site. There's a rapid demobilization involved at this point in time as we're completing all the work. Engineering procurement course is generally complete. Our construction activities are down to the point of all the major installation being complete and general contractor has started demobilizing as I mentioned earlier. Painting, installation, and final site grading are ongoing items that are involved in the construction manner. The rest of the activities are directed towards start-up which has been going very well.

In this past month following our steam blows we did have temporary piping and equipment removed and the permanent piping reinstalled as scheduled. Catalyst loading was completed for both the heat recovery steam generator units and the permanent vacuum equipment was commissioned. The dry low NOx tuning was completed and full load tests were also completed for both combustion turbines. The ACC bypass operation was also accomplished and steam purity was achieved. With that having been done here just in this past week, we have also accomplished a steam turbine roll up and full speed and operation and including the overspeed trip was also accomplished. That means all three turbines have now been run and run up to full load. As far as speed goes at least, the two combustion turbines have actually been synchronized and loaded to full load. The steam turbine has just been run at full speed no load to date, but we hope to get that full load test done yet this week. Pending activities, we do have to complete the painting and installation, cleanup work on the job, the final site grading, and as I mentioned steam turbine synchronization and the following load tests will happen we expect this week. The combustion turbine firing on fuel oil and tuning fuel oil will also be a pending activity probably if not this week, the following week. And then we have the performance test and the emission testing scheduled for early August, our CEMS, Continuous Emission Monitoring System, also will go through certification tests in early to mid August. And then our reliability test should occur in early September.

As you're aware, our BPA switchyard is in service. It has been for some time and so has the gas supply pipeline. We have attached a couple of pictures, aerial photos that I think do a fair job of showing the facility from the northeast and northwest, and we're quite proud of the way this facility is cleaning up at this time. In addition to this report, we would like to go over with you

as we did to some degree last month I believe some concerns with noise during our testing activities. And we got a little overview on that.

We would like to bring to your attention to the project starting with informal noise review, of course, as we initially began our testing activities, and we did receive some calls from neighbors regarding noise levels during that initial steam blow testing. And while those noise levels are much lower than a typical, similar plant would be during steam blows because we're actually exhausting into the ACC duct, they're still very noticeable to the immediate surrounding area. So we did have some concern there, and we are expecting a dramatic reduction in those noise levels as we remove the temporary equipment and got back to our permanent systems. And we did have some reduction, but we also picked up some others as we continued our testing activities. Generally, as we're in start up, we have more start-ups, if you will, than we would typically, and so we have some start-up noises that are associated with lifting vent valves on the heat recovery steam generator units as we first bring them up to heat up and stabilize them before we can send the steam onto other equipment and also as we gain steam purity to be able to send the steam into other equipment. We also note that we have some noise associated with bypassing the steam turbine which we had been doing prior to getting the steam purity in good shape, and that made a little extra noise in the ACC entry duct which we're hoping not to have to do often. And then our boiler feed water pumps are a little noisier than we would have hoped, but we're not surprised by noise from those pumps. They're quite typically noisy. But we anticipate we will probably have to be doing something to attenuate the noise on those pumps in particular. So those are the major items that do create noise during this testing period.

We have also brought a testing company in to give us a professional review of noise levels during start-up and operations, and we would expect to see that report this week, so we can take a little more educated approach to addressing noise levels all around the plant. That group did test on all of the major noise sources that we've been able to identify, and so as we determine how best to approach those to reduce the overall noise from the facility I think they make quite a difference. We do understand that the Council staff has received some calls from neighbors, and so we have been acting on that and hope that the noise report that we'll receive will help immensely in dealing with that. Testing to date and initial noise sources, specific identification I thought I might ask Tim if he would explain in a little more detail on that to us to help us understand that better.

MR. LONAS: I think Tom touched on some of the major points. From May 25 through to date we've run green water runs and initial sync on gas turbines. Of course, that generates steam in the HRSGs. You have to do something with the steam and we put that steam in the ACC duct. Typically you would vent that steam -- most plants. Let me say that. Maybe not typically is the right word. Steam will just be generated to the atmosphere. In order to conserve water and to try to reduce the amount of noise, we've put that right into the ACC. We've now completed steam blows on single units and dual units, and we've brought the units down as Tom indicated for about two and a half weeks to restore the temporary piping and put in the permanent piping. We have run both units up for gas dealings and we still we have oil dealings we have to go through which will also require steam to be bypassed around the steam turbine, and we'll put as much of that steam as we can in the steam turbine, but some of it will be in bypass mode and going into the ACC duct. We have identified we think our major noise sources right now, and I'm just talking from a noise standpoint are the boiler feed water pumps. They're running at about 92 dB. Our expectation is about 85, and we are looking at ways to attenuate that. Closed cool water fans, that's the small pumps around the plant, that's during normal operations. During start-up

we have our start-up vents open, and you have to release the steam somewhere during the initial start-up on a cold start. If you've got a hot plant or a warm plant, you have steam bottled up in the HRSGs, then you typically don't have to vent near as much. But anytime you have a cold start, -- we have a lot of them during commissioning -- you have to vent for a while in order to warm the plant up and get the air ejection system on the ACCs down, the blowdown vents which we do a lot of blowdown during start-up because we're trying to get steam clean, steam purity, and the evacuation system that I talked about. And then bypass tends to add quite a bit. Bypass is really kind of not a "normal" operating condition. It's typically only seen when you have a steam turbine trap. What we're doing I think Tom touched on we have directed the steam into the air-cooled condenser during steam blows. We think helped. We are trying to get off the start-up vents as soon as possible. We're trying to avoid weekends and nights. We're shutting down at night and letting the plant sit at night as much as possible. We've addressed some control valves that tend to chatter, so we've insulated those and put some attenuation around those control valves, and we've built some temporary barricades around the border of feed water pumps. Those are the things that we've done to date. We're looking at some additional measures. Of course, we have to continue to identify where the problems are, where noise is being additive. So the more sources you have, the more you generate and keep attacking those areas.

MR. SCHNEIDER: Thanks, Tim. In addition, we have been responding to each call that we've received from neighbors to make sure they're aware of where we are in the testing activities. We've made many visits to homes, so we can keep them abreast of the testing that has been moving along. In some cases, it goes just the way we planned. In other cases, it slips a little bit here and there, but we've been trying to keep our neighbors very much aware of where we are, and we've also made this similar call to all the local officials, city manager, and mayor and county commissioners and so forth to ensure that they're all up to date with where the project is, particularly with regards to testing.

CHAIR LUCE: Thanks, Tom.

MR. CARELLI: Is it I or you?

CHAIR LUCE: You.

MR. CARELLI: Me. Any questions from Council Members? Or maybe I should go to Mike first.

<b><i>Notice of Incident and Request for Assurance of Compliance</i></b>	<b><i>Mike Mills, EFSEC</i></b>
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MR. MILLS: All right. Yes. If there's no more questions staff is prepared to make a report on the noise issues associated with the Chehalis project. If you will refer to your blue handout. Thanks to Council Member Chuck Carelli he's put together an outline of activities associated with following the noise that you just heard the report from the company representatives. I will just kind of read through this briefly. Staff is aware that residents near the plant are concerned about loud noises. Last week I personally received seven phone calls. They're all individuals that have contacted the company directly, but the site neighbors remained quite concerned. They liken the sound to a jet engine in their back yard at certain times, so there is a high level of interest amongst the site neighbors now during the start-up testing. And the report I think as we talk about what's required, how can the Council respond to this one of the things that struck me is that the company has been very proactive. They have gone to the homes. They've talked to the residents. But one of the major, I guess I won't call it a complaint, one of the issues with the

citizens was the company is starting to lose some credibility because as Tom and Duncan go to the neighbors they tell them we're going to fix it, and the fix it hasn't been occurring as the neighbors envisioned it would, and the sound remains from some of the testing activities. So, again, I want to recognize what the company has done, but the citizens, the site neighbors are quite concerned and I've spoken with seven directly. I've also asked John Mudge who's here representing the Critical Issues Council to speak about what he's heard. And John has followed this project as many of you know from its very beginning.

Just continuing with Chuck's outline, the company acknowledged that in preparing for start-up there was a need to bring in certain equipment necessary to complete testing of various components. The company stated to the Council, the equipment responsible for producing these noises were placed inside structures and other measures were taken to reduce noise levels and that efforts would be made to keep noise from the site within the prescribed limits. As I noted, we continue to receive complaints about noises coming from the facility, and one resident told me that he was using a noise meter to record the noise levels. We've asked Chehalis to come not only to this meeting, but they reported at your last meeting specifically on the noise issue, and they're available at every Council meeting to report about their progress. As I looked at how the Council could approach this, again, with the high citizen interest, with the people that are very close to that facility, they're on Bishop Road or in the immediate area of the plant, I looked at the other handout you have is our 463-54 WAC, and it speaks to Certification Compliance Determination and Enforcement. The Council has a range of enforcement actions. As Chuck notes we can do nothing. We could take emergency action, issue a notice of incident and request for assurance of compliance, or we could issue a notice of violation. I will just continue and then I'll come back to the options.

Chuck cites that noise rules adopted by Ecology and the county and as expressed in the Council site certification agreement are noted here. There is a small distinction between evening and day operations. It also notes that there are some exceedences and again, I'll come back to the numbers.

In looking at the enforcement options, the one that staff believes is appropriate would be number three here and it's 463-54-070(3), Notice of Incident and Request for Assurance and Compliance. A notice of incident is appropriate when the Council believes the violation has occurred; that it is being corrected quickly and effectively by the violator; that the violation caused no substantial danger to humans or the environment; and that a penalty assessment does not appear to be appropriate in light of the seriousness of the violation or as an incentive to secure future compliance. Section B continues: Whenever the Council has probable cause to believe that any term or condition of a site certification agreement has been violated, the Council may serve a notice of incident - request for assurance of compliance upon the certificate holder. Within 30 days after service of the notice, the certificate holder shall provide the Council with a report of the incident and assurance of compliance, including appropriate measures to preclude a recurrence of the incident.

The Council shall review the assurance of compliance. It may close out the matter by resolution or take such further action as it believes to be necessary. One of the reasons that I kind of settled on this approach is that without being able to verify numbers, and the company does have monitoring stations in place, and they do have information that's available, I can't report to you that we've exceeded the numbers or not. Certainly the citizens believe that some number level has been exceeded. It was more than they were expecting that this plant would make. But I guess I would like this approach because it would give the company a chance to report back to

the Council with the data and document the activities that they have done in terms of trying to address this problem, and it may be by the time that the report period is completed because of their schedule that, in fact, this issue will go away, and the noise would be at an accepted level, if it's not already. I think that is enough on that.

Chuck concluded his outline noting that the notice of incident should identify that the Council has received complaints, direct Chehalis Power to take immediate action to commence monitoring, and we know they're already doing, to ensure the noise levels are within prescribed limits. Noise monitoring and reporting shall continue until noise levels are within prescribed limits and the Council directs in writing that the monitoring can be discontinued.

I would remind the Council here that there are requirements when a plant becomes operational and they continue monitoring, and so we might revise that wording just a bit. A noise monitoring report describing reporting noise levels and their probable causes and corrective action shall be sent to the Council manager weekly. If noise levels continue to be exceeded, Chehalis Power should prepare a noise compliance plan and submit this plan to the Council for approval. The noise report shall describe steps taken to identify excess noise sources, levels of noise from each source, steps to be taken to reduce noise levels to prescribed limits, and a schedule for accomplishing needed improvements to noise abatement at the plant. Upon approval, the Chehalis facility would implement the noise compliance plan.

Given this some thought this morning, I thought Chuck did a nice job outlining the options that were available to the Council. I think it's consistent with the intent of the notice of incident and response for assurance, the request for assurance and compliance. Again, it would give us an opportunity for the company to document with data, hard data the noise levels that they've been seeing while the plant's in start-up. I believe it would set a good base as the plant moves into the operation phase to begin tracking those levels as this becomes an operating plant. And staff would recommend that the Council consider authorizing the Chair to sign a notice of incident and request for assurance and compliance that would be prepared by staff in the next two days and be issued to Chehalis Power.

CHAIR LUCE: Thank you.

MR. MILLS: It would be staff's intent to follow the outline that I have reviewed with you today in preparing the notice of incident. We would also work with Ann Essko. She's also had a chance to advise me on the rules and the content of a notice of incident, and I would follow her guidance.

CHAIR LUCE: Thank you. Any comments from the Council?

MR. SWEENEY: I have one.

CHAIR LUCE: Yes.

MR. SWEENEY: It sound goods. I guess the question I have is we don't have data right now as to what the actual noise level is?

MR. SCHNEIDER: No, sir. We don't have any formal data, and we are expecting that report to come in today or tomorrow.

MR. SWEENEY: Then the question I have is it possible that or maybe I should visit what if we find out that the noise level is within the prescribed limits?

CHAIR LUCE: Well, then we've met the standards.

MR. MILLS: I've also made a commitment to the citizens that I've talked with that we would involve them directly. They would be copied with the notice of incident; that I would be available to speak with them personally during this review period, so I think that's another way we could follow up and certainly share the results of the company's response with the general

public, and perhaps I believe there's a larger group than seven people that have indicated that they have some issues with noise.

MR. SCHNEIDER: That's about right. We visited more than that in trying to keep all of our neighbors aware of our testing activity, but that's probably about the right number I would say that seems to be.

MR. CARELLI: Jim, what about Mr. Mudge?

CHAIR LUCE: Well, I was about to call for citizen comment. I was calling for Council comment first. It sounds like maybe Tim's comment was the only one, so I will call for, first of all, any response from the company here?

MR. SCHNEIDER: We're in agreement with Mr. Mills.

CHAIR LUCE: Okay. Great. And we'll look forward to seeing that report from your consultants maybe tomorrow.

MR. SCHNEIDER: Yes, sir.

CHAIR LUCE: All right. Thank you very much. I appreciate you coming forward. We will work through this. I do understand you're in shake down crews right now. Mr. Mudge, come forward and offer any comments that you will. Thank you for coming here today. We really appreciate the work that your group has been doing all through this project.

MR. SCHNEIDER: Thank you, Mr. Chair.

MR. MUDGE: For the record, I'm John Mudge. I'm president of the Critical Issues Council that's been an intervenor in this proceeding. I think the comments about the noise impacts have been quite accurate. I think Mike Mills' report was really very good, but there are some peculiar -- a lot of people contacted me, and I've uniformly given the answer that during this testing period noise is to be expected, and I also told them it will be diminished, and I hope I am not a liar. Anyway that is a concern with a lot of people, and, boy, you're just whistling Dixie because it's going to be worse than that when it really is in operation. But Tom has kept in touch with me and his communications have been quite adequate. But people are upset because I think I hate to put a number on it. It's been quite a number of calls over a period of time, and it does sound a lot like a jet engine. In fact, you wonder where that low flying airplane is because it seems awfully low at times, and that is disruptive. It's particularly bad in an area where the background noise is really pretty quiet. Consequently, some of their testing has been done at night, and then it's really obvious. If it was obvious during the day, nighttime when it's really quiet, it's much worse, so I'm glad that they're taking steps to make it better, and it will be not as bad when they finally get in operation. But I am confident that what Tom says is probably correct and keep my fingers crossed, but the noise is bad.

The other thing about it, a couple of times during the incident I've driven around the place, completely around in the area to see what the observable sound level is, and I notice it's quite variable from one spot to another. So it's surprising the differences. Sometimes we're quite a ways and it's surprisingly loud, and other times you're right next to it there and there's hardly any noise at all. So an important aspect of it may well affect wherever the noise meter is in the area. Because if they're in a quiet area, it won't record much. But on the other hand, you will find other meters that may record with a vengeance. Let's hope the meters are where the noise level is highest because it is surprisingly variable. With that, I think that's about all I have to say.

CHAIR LUCE: Thank you very much. As one who lives in the flight path of the Portland Airport, I can appreciate noise and do, and as one who lives 20 miles from St. Helens, I didn't hear anything when it erupted. I got a phone call from my sister in Connecticut who said go down and turn on the television, which I did. So I thank you very much. Yes.



MR. CARELLI: I guess I will propose a motion, and in doing so I would like to recognize what the company is doing in their efforts to keep everybody informed and aware of what's going on. I think they're very real attempts at keeping noise levels down, and it is a testing stage; yet, at the same time it's something we probably haven't considered in preparation of our site certification agreement. We have construction and we have operation, but this window of opportunity in between we seemed to have overlooked. So I think what you're doing is going to pave the way for this Council to some extent as we deal with other projects as they might proceed through construction. So that being the case, **I would move that the Council issue Chehalis Power a notice of incident for noise issues and possible violations at the Chehalis Power Plant.**

CHAIR LUCE: Second?

MR. IFIE: **Second.**

CHAIR LUCE: I call for discussion. Call for question.

MR. CARELLI: Question.

CHAIR LUCE: All in favor say aye.

COUNCIL MEMBERS: **Aye.**

CHAIR LUCE: **Unanimous. Thank you very much.** We appreciate your efforts, and I appreciate the homeowners coming together and working together with the group down there. Great. Next item on the agenda.

<b><i>SW Clean Air/Dept. of Ecology Contract</i></b>	<b><i>Mike Mills, EFSEC</i></b>
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MR. MILLS: We wanted to make a report, Jim, under this item on the Southwest Clean Air Ecology contract that we're working on.

CHAIR LUCE: Yes.

MR. MILLS: Irina is prepared to make that.

CHAIR LUCE: Irina.

MS. MAKAROW: Since the end of last year EFSEC staff has been diligently working with both Ecology and Southwest Clean Air agency staff to establish a three-party contract between ourselves, Ecology, and Southwest Clean Air Agency to hire Southwest Clean Air to do the compliance monitoring at the Chehalis Generation facility for the air emissions aspect and also in the not so far future do the review of a Title 5 permit application that would be received by the Council from Chehalis. It's been a long and hard journey because we learned that our state clean air act laws and our laws do not recognize that EFSEC could or would like to contract directly with a local air agency, and our laws actually require us to contract with Ecology or a state agency for compliance monitoring, and that's why it's a three-party contract. And we are getting close to the end of our work, and we're still waiting for some final buy off from Ecology.

The contract is complex not only in the tasks that are going to be required to be performed by Southwest Clean Air but also in the transfer of information between the three parties, and also the money transfer issues as to who pays whom for what and when. And our intent is that once this contract is finalized that the Chair would sign on behalf of the Council, and that would allow Southwest Clean Air to begin their work for the Council in earnest.

Just as a side note, so that it does appear on the record, both Mike and I have been working closely with Paul Mairose and Clint Lamoreaux at Southwest Clean Air, and they have already been of great assistance to the Council and are very knowledgeable in their field, and we certainly do look forward for this contract to come into place to continue that working relationship.

CHAIR LUCE: Good. I appreciate that.

## ITEM NO. 10: ENERGY NORTHWEST PROJECTS

### Columbia Generating Station

<i>Operations</i>	<i>Mike Mills, EFSEC</i>
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CHAIR LUCE: The next item on the agenda is Energy Northwest; is that correct?

MR. MILLS: Yes. Just a very brief report. The plant is currently on line. It's operating at 80 percent. I think I reported to the executive committee that they had a condensate booster pump repair work underway, and so they were limited in the percentage of power that they could produce, and the note from John Arbuckle is that they're currently at 80 percent and that the pump is being repaired. And they've been on line for 11 consecutive days.

CHAIR LUCE: Goods news.

MR. MILLS: Yes.

CHAIR LUCE: All right. Any comments, questions from Council Members? Comments from Bonneville?

MS. CUSTER: We're glad they're on line.

CHAIR LUCE: You're glad they're on line. I'll bet.

## ITEM NO. 11: EFSEC RULES

<i>Topic Discussion</i>	<i>Tony Ifie, DNR</i>
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CHAIR LUCE: Next issue is EFSEC rules topic discussion. Tony.

MR. IFIE: Yes, I have no rules to report to the Council at this time. However, progress has been made on the rules. For instance, at the last executive Council meeting we reviewed the schedule for the completion of the rules, and some milestones were identified and staff is working on trying to resolve those issues. Mike, do you have any progress to report on any of this that Chair Luce had identified at the last meeting?

MR. MILLS: I don't have anything to report at this time, Tony.

MR. IFIE: Okay. That's it. Is there any questions?

CHAIR LUCE: I think we're much closer than the assignments sheet might look. We're working very closely at putting together a package on small business impact statement. We've got staff work ongoing with that. There may be some meetings coming up to put something in place. SEPA threshold determination we'll work on that when Allen gets back. Some of these rules are much closer than they look. The greenhouse gas probably won't come on July 21st, since our public meeting is on the 17th. I think it takes a little while after that to develop a rule. Need will probably be paired with greenhouse gas I'm guessing, and I would guess in August on that. A number of the rest of these I think we have a wetland standard, Chuck; don't we? Maybe I'm looking at Fish and Wildlife too. I think there's something on the web site that deals with wetlands.

MR. CARELLI: There is.

CHAIR LUCE: Yes, so I'm not sure why that continues to appear here.

MR. IFIE: Okay. I will correct that.

CHAIR LUCE: And then expediting rule making proposal, I think we tentatively decided that we wouldn't want to go in that direction because you pull half of them off and go expedited rule making and the other half you wouldn't, and that leaves sort of a bifurcated, you know, what's

expedited and what's not, so I think you can cross that off. Rule making schedule, I think Chuck's going to make some revisions to that based upon where we are on small business impact statement and SEPA. So, you know, the schedule I guess what I'm trying to say is not as difficult or it's not difficult in any case, but it is not as -- it's not as full as it looks. So I think we're closer than we might think we are. I think the big ones that are left are -- well, there's a severability issue in there. That's a policy question whether we put a severability clause in or not. Severability clause meaning, of course, if you put a severability clause if a court or someone were to challenge the rules a severability clause would mean one rule falls, the rest of them stay. The pro is one rule falls, the rest of them stay. The con is maybe, you know, the question is do you want to leave that door open? So I think we are in better shape than this may appear to be, so anyway that's the status I think on the rules now. Tony, July 17 special meeting.

MR. IFIE: Irina.

CHAIR LUCE: Irina.

<b><i>July 17 Special Meeting – Carbon Dioxide</i></b>	<b><i>Irina Makarow, EFSEC</i></b>
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MS. MAKAROW: It was just a reminder that we have noticed the July 17 meeting, and unfortunately the notice that is in your packets predates the second notice that we sent. We changed the location. It is now going to be located at the John L. O'Brien Building, Hearing Room A, and that is just one roadway across from the original location, so we will have signs posted at the old location directing people to the new one.

CHAIR LUCE: Right. Sort of an update to Council Members. I think when Mariah gets back she's going to send out this e-mail which our state e-mail system would not allow me to send from home. Different story. But the format will be something like this. The tables arrangement will be something like this. We'll have panels, maybe five or six people at most. I'm anticipating no more than five, but we will have six chairs. There will be panels, because I don't know all these people. So project developers who may or may not have a spokesman. They may send a letter because it's been on fairly short notice. There will be a utility panel I think -- this is all I thinks -- composed of public utilities, private utilities, co-ops and some other people, other utility types; agencies, state agencies and others. I believe Puget Sound Air will be there I think. Business community, AWB, and others I think, and the others is being pulled together by the business community; environmental groups. There is going to be panels of environmental groups. One is the Northwest Energy Coalition, and the League of Women Voters will sit with as I'm told with the Northwest Energy Coalition. And then there's the group called the Global Warming Action, and they presented something to us in the form of a proposal in our stakeholder group, so they wanted to have a separate panel, which is fine. Labor panel may be. That's up to the King County Labor Council and I don't pretend to understand all the labor council fascination, but they may or may not have somebody there. And then there will be another group called experts panel, and experts panel will be somebody from Seattle City Light who has worked on this. A fellow by the name of Lazarus who has worked on some of this stuff. Mike Burnett from the Oregon Climate Trust, and there's a fourth person who I can't remember. What I have told people is that they can spend their time any way they want. They get five minutes each. They can combine. I mean if four or five of them come up, and they're representing the group, they can consolidate their time and one can speak for all or not. That they don't need to give -- they can if they want to use their time to educate us on the issues of global warming, but we've had quite a bit of testimony on that already, quite a bit of education. But it's up to them. If that's the way they use their time, that's the way they use their time. We

had Dr. Gammon before us last time. I think people have more or less gotten an education, and they can submit materials in writing if they wish on the scientific issues associated with global warming. If they want to, they can submit written comments. They don't have to. It's fairly short notice. We can take notes and our expert court reporter is going to be present to take notes, and we'll get those into the record in any case.

What I've encouraged them to do is speak to policy issues, that long list that we sent out and all of those questions, pick two or three or four policy issues and address those. EFSEC members may ask some questions. I kind of hope though that we'll listen rather than ask lots and lots of questions. There will be other opportunities when we go out in the process for having public hearings to ask questions. If we have a great big room, and everybody starts asking questions, we'll be there a long, long time. So if you have questions, ask them if you need to. But I wouldn't encourage you to ask lots of questions. If there aren't as many people that show up, then you can ask some questions. If there are lots and lots of people there, and we pledged to stay there until everybody could say whatever they had to say, then everybody on the Council starts asking three or four questions of each panel member, we could be there, you know, go out for sandwiches around 6:00. So, you know, it's your choice. I mean I'll stay there as long as we need to, but depends on whether you've got an evening planned.

I guess that's more or less -- oh, I'm going to ask Mike to make an opening statement regarding the development to date of our rules process, sort of context this: Hi, I'm Mike. We started in December 2001. The purpose was to work from Charlie Earl's report, put some clear standards together on a variety of different issues. This is what we've done. We've been here, we've been there, and now here we are, and we're going to take testimony today on carbon sequestration and basically frame the issue. And then I'm going to make some sort of an opening statement, not very long. Then away we go. Does that make sense to everybody? And then let's see. And then Tony is going to read a special letter.

MR. IFIE: I don't intend on reading this, but I wanted to make a statement on the letter.

CHAIR LUCE: Oh, you're going to make a statement on the letter?

MR. IFIE: Right.

CHAIR LUCE: At the meeting, right?

MR. IFIE: Is that okay?

CHAIR LUCE: At the meeting on Thursday.

MR. IFIE: Right now.

CHAIR LUCE: But on Thursday too.

MR. IFIE: No, on Thursday I won't be making a statement.

CHAIR LUCE: No, we want to hear it on Thursday, Tony. That's when we really want to hear it.

MR. IFIE: Well, on my own?

CHAIR LUCE: You're on, Tony.

MR. IFIE: Okay. As far as the letter from my boss, the Commissioner of Public Lands, Doug Sutherland, I'm sure you've had a chance to review the letter. That letter constitutes our official, DNR's official written comments for the greenhouse gas rules efforts. I intend to support his position, and that I hope at least it will be given a fair hearing. However, outside the Council makes a ruling or a decision, I intend on supporting, on moving my hat to whatever proposal carries on the Council and will be something that I will work with the Council on to make sure that we still have input into that, so I just want to make that point. It's working a fine line, but it's important that I admit that point to the Council.

CHAIR LUCE: Totally understood. I understand your position. Thank you.

**ITEM NO. 12: OTHER**

CHAIR LUCE: Let's see. I had something under other. In the past we have more or less on a case-by-case basis designated people to act as Acting Chair, so I've decided just to sort of memorialize that. So I've designated Chuck Carelli to be Acting Chair if for any reason that I am incapacitated, a couple glasses wine probably would do that, or out of the state. So Mr. Carelli, I'm going to be out of the state definitely starting on Saturday for ten days with our family reunion, so that's your first opportunity or unless I, you know, have a couple of glasses of wine between now and then, I'll call you. So anyway Chuck is Acting Chair, and we will go forward and have a lot of fun. I guess that's about it.

**ITEM NO. 13: ADJOURN**

Anybody else have anything for the good of the order? We are adjourned.

(Whereupon, the Council meeting was adjourned 2:50 p.m.)